

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION JOINT APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT AND TRANSPORTATION

Call to Order: By **CHAIRMAN BOB DAVIES**, on January 16, 2001 at 8:07 A.M., in Room 317-B Capitol.

ROLL CALL

Members Present:

Rep. Bob Davies, Chairman (R)
Sen. Jack Wells, Vice Chairman (R)
Rep. John Brueggeman (R)
Rep. Monica Lindeen (D)
Sen. Corey Stapleton (R)

Members Excused: Sen. Bea McCarthy (D)

Members Absent: None.

Staff Present: Greg DeWitt, Legislative Branch
Mary Beth Linder, OBPP
Cyndie Lockett, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: Department of Revenue-Agency
Overview, 1/16/2001
Executive Action:

{Tape : 1; Side : A; Approx. Time Counter : 0 - 30}

HEARING ON DEPARTMENT OF REVENUE

Chairman Davies calls the meeting to order.

Mr. DeWitt gives a little information regarding the Department of Revenue. The budget in the LFD Budget Analysis book will not be helpful since the agency is reworking their budget. **Mr. DeWitt** suggested the subcommittee follow what the agency hands out.

Kurt Alme, Director of Department of Revenue, began by handing out **EXHIBIT(jgh12a01)** and giving an overview. His introduction covered where they have been, where they are headed, organizational chart, and vision statement.

Dave Woodgerd, Legal Affairs Chief Legal Counsel, gave a quick overview of his staff and his duties in the Department of Revenue office. He said they had 8 staff attorneys and 1 paralegal. They also advise all programs of the agency. He and his staff appear before the district courts, Montana State Court, and US Supreme Court during tax appeals and litigation.

Howard Heffelfinger, Office of Dispute Resolution began discussing his office and the tasks they do. He also touched on their highlights and one that stood out was that on every large tax case, to date, the department has been successful at mediating tax cases. They want to continue to achieve mediation on these tax cases.

Judy Paynter, Tax Policy & Research Process Leader, spoke about her area and told the subcommittee that 9.5 full-time-equivalent employees (FTE) are in the office. They have developed workbooks to help the legislatures. They also have a Guide to Taxes that they prepared. She also stated that they prepare all tax related fiscal notes. She and her staff have worked with Indian tribes throughout Montana.

{Tape : 1; Side : B; Approx. Time Counter : 30 - 60}

Jeff Miller, Policy & Performance Management, talked about the 10 program specialists and what his people are responsible for. He also touched on some of his highlights like geographic information system (GIS) and how it will help developed a database of property owners. This database will have the picture of the land and information about this land so the government can be more accurate with taxes.

Dan Ellison, Information Technology Process Leader, emphasized how information technology plays a vital role for the Department of Revenue. He stated that they had 5600 help calls in this last year and 60 percent were closed on the same day of the call while 21 percent were closed in one to five days.

Lynn Chenoweth, Resource Management Process Leader, began his summary of his area by stating that they service and support to the Department of Revenue's human resources, accounting, facilities management, communication, and training and education. He also said that his Liquor Distribution Unit is managed from within this Resource Management Division and is funded with enterprise funds. He also gave a little information on liquor in the state. There are 98 state liquor stores and the annual sales from liquor is \$60 million. The taxes collected off the liquor total about \$7.3 million per year. He said about \$4 million come from license tax. They house \$8 million worth of liquor in their warehouse and the vendors own the liquor in the warehouse.

Sen. Stapleton asked if he could supply more information on the competency pay project. **Mr. Chenoweth** replied he could and it would be the latest draft on the program.

Rep. Lindeen asked for a definition of internet maintenance. **Mr. Chenoweth** said that it was updating the web pages and keeping them current.

Chairman Davies asked about the union and how they responded to the competency pay program. **Mr. Chenoweth** said there was 75 percent to 80 percent of the people in the department are part of the union. He also told **Chairman Davies** that they worked with the union throughout the process of developing the program.

Neil Peterson, Customer Service Center Process Leader, told the subcommittee that his area combined customer intake, document and information processing, accounts receivable, and collections into a single business unit. The Customer Service Center provides centralization and consistent customer service, data and information processing, and accounts receivable collections for all tax types. His program also deals with unclaimed property.

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Mr. Peterson also talked about the call center and its motto "One Call, That's All". This service is hassle free and there are 9 operators that take between 800 and 900 calls a day. He discussed one-stop licensing and electronic filing. Other

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programs he mentioned were telefiling and WARP (Wage Automated Reporting Program).

Don Hoffman, Compliance, Valuation, and Resolution (CVR) District 1 Process Leader, began talking about the CVR program and his district as well as districts 2 and 3. He explained what regions fall under each district. He also handed out another region map **EXHIBIT (jgh12a02)**. He mentioned their responsibilities include cross-matching, unemployment insurance and withholding, and partnership/Subchapter S corporation filings. He also handed out a booklet on a guide to taxes **EXHIBIT (jgh12a03)**.

Mr. Alme invited the subcommittee to a tour their building.

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ADJOURNMENT

Adjournment: 9:25 A.M.

REP. BOB DAVIES, Chairman

CYNDIE LOCKETT, Secretary

BD/CL

EXHIBIT (jgh12aad)